

United States Senate

September 26, 2017

The Honorable Elaine Duke
Acting Secretary
Department of Homeland Security
Washington, DC 20528

Dear Acting Secretary Duke,

I write to you in the wake of three major natural disasters requiring expedient relief and reconstruction efforts. Current maritime law, under the Merchant Marine Act of 1920, or the Jones Act, blocks the communities of Southeast Texas, South Florida, Puerto Rico, as well as the entire nation from rapid recovery. As you know, the Jones Act requires that all goods shipped between waterborne ports of the United States be carried by vessels built in the United States and owned and operated by Americans. As a result, shipping costs from the United States mainland have been estimated to be twice as much as from neighboring foreign islands.

The Department of Homeland Security has been given the ability to waive the Jones Act to accommodate national security concerns, and has done so twice in the last month. These emergency waivers have been valuable to speed up recovery efforts in the impacted regions. However, I am very concerned by the Department's decision not to waive the Jones Act for current relief efforts in Puerto Rico, which is facing a worsening humanitarian crisis following Hurricane Maria. It is unacceptable to force the people of Puerto Rico to pay at least twice as much for food, clean drinking water, supplies and infrastructure due to Jones Act requirements as they work to recover from this disaster. Now, more than ever, it is time to realize the devastating effect of this policy and implement a full repeal of this archaic and burdensome Act.

Hurricanes Harvey, Irma and Maria have ripped through our southeastern coasts and islands, incurring hundreds of billions of dollars in repair and lost production cost estimates. Each of these disasters has and will require substantial emergency clean-up, reconstruction supply, and rerouting efforts, all of which rely on an expedient and functional transportation system. We must treat this emergency relief with urgency – every day that business owners are unable to recover their assets and account for lost business, the economy will retreat even further into devastation.

Given your firsthand experience with the Jones Act, I seek more information about how it has affected the ability of hurricane-damaged communities to rebuild. Please provide answers to the following questions:

1. What led to the Department's decision to not waive the Jones Act relative to Puerto Rico in the wake of Hurricane Maria?

2. What is the average cost of shipping a container of goods from Florida to Puerto Rico? And the average cost of shipping a container of goods from Florida to the neighboring US territories that have a permanent Jones Act extension, the US Virgin Islands?
3. An individual importing a shipping container of goods from the East Coast of the United States to Puerto Rico can expect to pay almost twice as much as they would if they were shipping from Jamaica. How much do you estimate reconstruction in Puerto Rico will cost with the Jones Act in place, and how much could be saved with a repeal?
4. Five days after Hurricane Maria, it has been reported that Puerto Rico is still without power. The price of energy in Puerto Rico is higher than in any of the 48 contiguous states, as the majority of their energy is generated from imported fossil fuels, which are also subject to exorbitant shipping rates. Will relief efforts be heavily reliant on a functional grid, and once running, affordably-priced energy?
5. What effect would a long-term waiver, or full repeal, of the Jones Act have on hurricane-damaged communities? How would this affect shipping prices? What would the impact be for communities recovering from disaster?
6. What contributed to your decision to waive Jones Act requirements on September 8, 2017 through September 15, 2017? Why did you decide to extend the waiver through September 22, 2017?
7. How did the communities of Southeast Texas and South Florida benefit from the waivers? What impact did these waivers have on recovery efforts?

I am confident that repealing this law would lead to hastened recovery efforts where our country needs it most. While the economic repercussions of the Jones Act have always been cause for concern, the urgent needs of these coastal communities make a quick repeal of the Jones Act even more critical. I look forward to your assessment and recommendations to resolve this urgent issue.

Sincerely,

A handwritten signature in blue ink that reads "John McCain". The signature is fluid and cursive, with the first name "John" and last name "McCain" clearly distinguishable.

John McCain
United States Senator